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**PRELIMINARY DRAFT**  
**No. 3265**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2006 GENERAL ASSEMBLY**

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**DIGEST**

**Citations Affected:** IC 6-4.1-3-13.

**Synopsis:** Inheritance tax. Increases from \$1,000 to \$5,000, for purposes of the inheritance tax, the maximum amount that may be deducted from the value of property interests transferred by a resident decedent for the purchase of a memorial to the decedent.

**Effective:** July 1, 2006.



A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-4.1-3-13 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. (a) For purposes of  
this section, the term "property subject to the inheritance tax" means  
property transferred by a decedent under a taxable transfer.

(b) The following items, and no others, may be deducted from the  
value of property interests transferred by a resident decedent under ~~his~~  
**the decedent's** will, under the laws of intestate succession, or under a  
trust:

(1) the decedent's debts which are lawful claims against ~~his the~~  
**decedent's** resident estate;

(2) taxes on the decedent's real property which is located in this  
state and subject to the inheritance tax, if the real property taxes  
were a lien at the time of the decedent's death;

(3) taxes on ~~the~~ decedent's personal property which is located in  
this state and subject to the inheritance tax, if the personal  
property taxes are a personal obligation of the decedent or a lien  
against the property and if the taxes were unpaid at the time of the  
decedent's death;

(4) taxes imposed on the decedent's income to date of death, if the  
taxes were unpaid at the time of ~~his the decedent's~~ death;

(5) inheritance, estate, or transfer taxes, other than federal estate  
taxes, imposed by other jurisdictions with respect to intangible  
personal property which is subject to the inheritance tax;

(6) mortgages or special assessments which, at the time of  
decedent's death, were a lien on any of ~~the~~ decedent's real  
property which is located in this state and subject to the  
inheritance tax;

(7) ~~the~~ decedent's funeral expenses;

(8) amounts, not to exceed ~~one~~ five thousand dollars (~~\$1,000~~),  
**(\$5,000)**, paid for a memorial for the decedent;

(9) expenses incurred in administering property subject to the



1 inheritance tax, including but not limited to reasonable attorney  
2 fees, personal representative fees, and trustee fees;

3 (10) the amount of any allowance provided to the resident  
4 decedent's children by IC 29-1-4-1; and

5 (11) the value of any property actually received by a resident  
6 decedent's surviving spouse in satisfaction of the allowance  
7 provided by IC 29-1-4-1, regardless of whether or not a claim for  
8 that allowance has been filed under IC 29-1-14.

9 (c) The amounts which are deductible under subsection (b)(6) of  
10 this section are deductible only from the value of the real property  
11 encumbered by the mortgage or special assessment.

12 **SECTION 2. [EFFECTIVE JULY 1, 2006] IC 6-4.1-3-13, as**  
13 **amended by this act, applies to the estate of an individual who dies**  
14 **after June 30, 2006.**

